

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

IN RE:) Case No. 09-00389
) Chapter 11
DAUFUSKIE ISLAND PROPERTIES,)
LLC aka DAUFUSKIE ISLAND)
RESORT & SPA,) 145 King Street
) Charleston, South Carolina 29401
)
Debtor.) March 11, 2009
) 6:45 P.M.

TRANSCRIPT OF THE COURT'S RULING IN THE MATTERS **(1)** CONTINUED
FINAL HEARING ON MOTION TO USE CASH COLLATERAL (MOTION AND
MEMORANDUM FOR APPROVAL OF INTERIM AGREED ORDER (I) AUTHORIZING
DEBTOR'S USE OF CASH COLLATERAL AND (II) PROVIDING ADEQUATE
PROTECTION AND GRANTING LIENS, SECURITY INTERESTS AND OTHER
RELIEF TO AFG, LLC}(DOC. 14). **(2)** EXPEDITED MOTION TO REJECT
TRANSFER AGREEMENT OF 1996 (DOC. 74). **(3)** EXPEDITED MOTION TO
INCUR DEBT AND FOR APPROVAL OF POST PETITION DEBTOR IN
POSSESSION FINANCING AND ASSOCIATED RELIEF (DOC. 79).

BEFORE HONORABLE JOHN E. WAITES
UNITED STATES CHIEF BANKRUPTCY JUDGE

APPEARANCES:

For the Debtor: Ivan N. Nossokoff, LLC
By: IVAN N. Nossokoff
1470 Tobias Gadson Boulevard
Suite 107
Charleston, South Carolina 29407

ECR Operator: Regina Schmidt

Transcription Service: TRANSCRIPTS PLUS, INC.
435 Riverview Circle
New Hope, Pennsylvania 18938
Telephone: 215-862-1115
Facsimile: 215-862-6639
e-mail CourtTranscripts@aol.com

Proceedings recorded by electronic sound recording, transcript
Produced by transcription service.

APPEARANCES:
(Continued)

For the Debtor:	Parker Poe Adams & Bernstein, LLP By: ELLIS R. LESEMANN, ESQ. 200 Meeting Street, Suite 301 Charleston, South Carolina 29401
For Imperial AI Credit Companies, Inc.:	Barton Law Firm By: BARBARA GEORGE BARTON, ESQ. P.O. Box 12046 Columbia, South Carolina 29211-2046
For Beach First National Bank:	Mullins Riley & Scarborough LLP By: LINDA K. BARR, ESQ. Post Office Box 11070 Columbia, South Carolina 29211
For the U.S. Trustee:	United States Department of Justice Office of the United States Trustee By: JOSEPH F. BUZHARDT, III, ESQ. 1835 Assembly Street, Suite 953 Columbia, South Carolina 29201
For Textron Financial Corporation:	Cooper & Moore, PA By: JAMES D. COOPER, JR., ESQ. P.O. Box 11869 Columbia, South Carolina 29211-1869
For Petrus Private Investments, LP:	Leath, Bouch, Crawford & von Keller By: B. LINDSAY CRAWFORD, III, ESQ. P.O. Box 4216 Columbia, South Carolina 29240
For Unsecured Creditors Committee:	Clawson & Staubes, LLC By: J. RONALD JONES, JR., ESQ. 126 Seven Farms Drive, Suite 200 Charleston, South Carolina 29492-7595 Gardere Wynne Sewell LLP By: STEPHEN A. McCARTIN, ESQ. 1601 Elm Street Suite 3000 Dallas, Texas 75201

APPEARANCES:
(Continued)

Counsel for AFG, LLC:	Hagood & Kerr, PA By: ROBERT A. KERR, JR., ESQ. P.O. Box 220 Mount Pleasant, South Carolina 29465
For Melrose Club, Inc.:	Buist, Moore, Smythe & McGee, PA By: CHARLES PELOT SUMMERALL, IV, ESQ. 5 Exchange Street Charleston, South Carolina 29401 Beard Law Offices By: T. ALEXANDER BEARD, ESQ. 1002 Anna Knapp Boulevard, Suite 202 Mount Pleasant, South Carolina 29464
For CSE Mortgage, LLC:	Warren & Sinkler, LLP By: MARK S. SHARPE, ESQ. 171 Church Street, Suite 340 Charleston, South Carolina 29401
For William Dixon and Gail Dixon:	McCarthy Law Firm By: G. WILLIAM MCCARTHY, ESQ. 1715 Pickens Street Columbia, South Carolina 29201

1 (As requested, only the portion of the Court's ruling is
2 transcribed.)

3 THE COURT: Would you please be seated? Mr.
4 Nossokoff, I need to ensure before I indicate a ruling, inquire
5 about the status of Item Number 1 on the docket, the continued
6 final hearing on the motion to use cash collateral.

7 MR. NOSSOKOFF: Yes, sir.

8 THE COURT: This is the AFG loan, I guess?

9 MR. NOSSOKOFF: Yes, sir.

10 THE COURT: So, where does that stand? Should I
11 enter an order in regards to that, or is it dependent upon the
12 ruling? I don't want to neglect to finally validate a loan
13 process in which monies passed.

14 MR. NOSSOKOFF: We would not let you do that. We had
15 talked about that just a few minutes ago, that I think it's all
16 really dependent upon the rulings that you issue today. And
17 Mr. Kerr can speak for himself, but I think he certainly is not
18 in favor of going forward with the use cash collateral. We
19 obviously assert our right to do so.

20 And so if the DIP's allowed first as a subordinated
21 cash collateral right, and if it's not allowed, we still would
22 push the use of cash collateral, but obviously we need it for
23 purposes coming up for this week anyway. So, I would suggest
24 that I would like the order entered.

25 THE COURT: Okay.

1 MR. NOSSOKOFF: Okay.

2 THE COURT: I follow you.

3 MR. NOSSOKOFF: And --

4 MR. KERR: And, Your Honor, we object. We don't
5 consent to the use of cash collateral. We have -- we had a
6 deadline for a February interest payment. It passed. We
7 extended, based on the good graces of our client, that deadline
8 until the order that Your Honor entered earlier this week, and
9 a payment is due tomorrow. But --

10 THE COURT: Okay. Well, don't let me leave without
11 addressing it further today.

12 MR. KERR: All right.

13 THE COURT: Because I didn't want to overlook it, and
14 then there'd be some critical need to address it. I wasn't
15 sure whether it was a final approval of what had been done or,
16 as I understand it, it's still an issue -- could be an issue of
17 contest in going forward. So -- all right.

18 The -- I'd like to offer some comments at this time
19 which would be an indication of ruling on the matters before
20 the Court today. And specifically the motion to reject the
21 transfer agreement filed by the debtor in possession and the
22 motion to incur debt.

23 As I indicated in some statements earlier, there are
24 various cases from around the country that address the issue
25 first on the motion to reject, whether options are executory or

1 not and, therefore, subject to this summary process, a
2 rejection by a trustee or a debtor in bankruptcy -- debtor in
3 possession in bankruptcy. Still fewer cases that I've read
4 address the significance of the indication that -- or
5 obligation that covenants run with the land. There were other
6 issues that have been raised in this case by the parties.

7 Many of the cases that I have read depend upon the
8 laws of the State in which they -- in which the contract or the
9 agreement is entered, which govern the nature of the
10 enforceability of the agreements at issue. And all that I have
11 read depend upon an interpretation of the subject agreement and
12 assert the intent of the parties to that agreement.

13 A reference to these various national authorities,
14 and even the law of South Carolina when necessary to make this
15 determination, has been of some help, but of limited help to
16 the Court in this matter.

17 What I am convinced of is that a determination of the
18 motion to reject in this case depends upon the language of this
19 agreement and the documents that relate to it as entered by the
20 parties.

21 The parties' critical rights at issue today, as you
22 have all argued and all have known, depend upon what has been
23 indicated as Article 5.1 of the transfer agreement.

24 The burden of prevailing on the motion to reject
25 falls upon the debtor or the movant in this case.

1 I am also convinced that this Court is bound by the
2 terms of Section 365 of the Bankruptcy Code and State law. And
3 that I cannot invoke any equitable authorities or Section 105
4 of the Bankruptcy Code to determine these issues.

5 It's been stated the decision today is driven by this
6 fairly early in the case lending motion which, upon itself,
7 should fall or rise upon the bankruptcy law that applies to it.
8 And I'll make a determination of it following a ruling on the
9 transfer agreement.

10 This Court can't make any use of its determinations
11 based upon how I wish it would turn out, or the sympathies that
12 I have for any parties, or even the dilemma that the parties
13 have gotten themselves in.

14 I am keenly interested in a reorganization working
15 out, and that all constituents, creditors, secured and
16 unsecured, investors, you know, we're always interested in all
17 of you recovering your investments and your money.

18 We also are interested in reorganizations working
19 because assets are valuable and should be -- continue to be a
20 value to the community. And in this case, I consider these --
21 the assets at issue to be important to the State of South
22 Carolina.

23 But for the reasons that I will summarize and set out
24 in a written order to be prepared after today, I find that the
25 motion to reject should be denied.

1 I'm indicating this ruling, and I'm declaring the
2 rights as I interpret it that are only necessary to determine
3 the motion. I am sensitive that this should not be a full and
4 final adjudication of all the rights between the parties. And
5 I feel that many of these issues should be addressed in an
6 adversary proceeding that could be filed before this Court.

7 In looking at the agreement at issue, in my view, the
8 critical provision is not a right of first refusal which
9 necessitates an offer, an action by a third party. But it is
10 an unexercised option.

11 I believe that Article 5 of Article 5.1 is, in fact,
12 divisible and not part of the -- should not be construed as
13 part of the agreement as determined by the intent of the
14 parties.

15 By its nature and purpose, it's susceptible to
16 division under the authority cited by Mr. Summerall. In
17 addition to that, the Columbia Architectural Group case, the
18 Packard and Field case.

19 These sections are not -- the general transfer
20 agreement in this one section appear by its language to be
21 intended to be separate. They are not necessarily dependent
22 upon each other.

23 The transfer agreement, for instance, contemplates a
24 failure, that any failure to perform the additional obligations
25 would be a default, to be identified by notice from the non-

1 defaulting party, and actually provides an opportunity to cure.
2 The remedy section of the entire agreement specifies
3 arbitration as the remedy, and allows equitable enforcement,
4 even specific performance of the transfer agreement.

5 There is a certain mutuality of obligations.
6 Whereas, Section 5.1 is viewed by this Court as an option. It
7 is, as counsel has argued, only triggered by the debtor's --
8 oh, in this case, the debtor's election not to perform, and
9 then provides the -- and I guess can say -- MCI the option of
10 making a further decision.

11 It's not part of the default or remedy section under
12 the transfer agreement. It's not cross referenced to those
13 matters.

14 It is the only place in the transfer agreement where
15 the parties specify that it is a covenant running with the
16 land, and it emphasizes the need for recording in specified
17 language. In my view, it is a contract within a contract.

18 The determination then would be whether that option
19 fits within the definition of executory contract, which the
20 parties have noted as defined by Countryman to be an instance
21 when the obligation of both parties are so far unperformed that
22 the failure of either to complete performance would constitute
23 a material breach, excusing the performance of the other party.

24 In my view, the unexercised option on the date of the
25 petition does not constitute unperformed obligations on the

1 part of the parties.

2 I agree with the authority, and some of which I'll
3 mention by case name: The Robert Helms case, the Burke case,
4 the BYN Funding case versus U.S. Air, the National Financial
5 case, and I'm not sure how to pronounce it, Gouveia, G-O-V --
6 G-O-U-V-E-I-A.

7 In this instance, these authorities indicate, and I
8 agree with them, that at the time of the petition, which is the
9 critical date, there had been no election made by the debtor.
10 Therefore, creating no obligations under the option on either
11 party.

12 I'd also note that it appears to the Court the
13 consideration had previously passed that the -- that upon the
14 exercise of any option, there would be limited and equal
15 assumption of liabilities for the reconveyance. And in many
16 instances, I interpreted it as similar to returning to the
17 status quo before the transfer.

18 I believe the facts in our case is distinguishable
19 from the Lubrizol and my previous case in Ducane -- or order in
20 Ducane.

21 I would further and separately indicate that even if
22 this were an executory contract, as we all know, that if it was
23 rejected, it's deemed a breach. But that breach does not mean
24 termination of the rights between the parties. I'm not fully
25 sure that upon determination -- the termination to adjudication

1 that the -- MCI would not be entitled to specific performance
2 as a remedy.

3 South Carolina law indicates in a number of decisions
4 that when performance is closely connected to specified real
5 estate, that equitable remedies are preferred. And I would
6 cite or mention the Murray versus Northwestern case, the Ingram
7 and a case Adam versus Willis.

8 Finally, I believe for purposes of determining this
9 motion that the rights embodied in Article 5.1 do constitute
10 property interest under South Carolina law. I believe it meets
11 all the indications that are required by the T2 Green case, the
12 expressed attention -- intention of the parties, the
13 requirement that intention concerns the land. Clearly the
14 language was intended to mean this in my view. It was intended
15 to be specialized language to bind parties and successors in
16 title to these provisions.

17 It was further substantiated by the fact that the
18 parties consistently recognized these rights and recorded
19 instruments, that they were subject of discussion and
20 preservation in the transfer to the debtor. And that as
21 indicated by the evidence today, was mentioned in deeds,
22 mortgages, and title insurance property.

23 Further, I'd find that as a property interest, it is
24 not subject to Section 365 and, therefore, not subject to
25 rejection. At the very least, I believe that the property

1 rights that the -- this party has is a right to enforce
2 provisions of the agreement. It's a right that springs from
3 the ownership of property from the taking of title -- of the
4 passing of title.

5 But it could -- it could very well be that they're
6 unalterable rights that are subject to -- not subject to
7 damages as a breach, but are subject to enforcement by
8 injunction or specific performance. And South Carolina
9 recognized the injunction remedy in the case of Houck versus
10 Rivers.

11 I further believe that 7001 is the proper rule to
12 apply to this kind of determination. That while I understand
13 the debtor's need is to seek this determination as early as
14 possible in the case, it is my view that it is a determination
15 of the validity of rights of the party. And further, it is
16 seeking the Court to full and finally declare the rights of
17 parties which are matters covered by 7001.

18 I think that this matter is such a close call in many
19 respects that had I decided that it were an executory contract
20 subject to rejection, before allowing it to be a final order in
21 which a party would then be able to take precedent by a further
22 order of lending over these interests, I would stay the effect
23 of the decision for purposes of an appeal, which I recognize
24 would be problematic for the loan at issue today.

25 For those general reasons, which I'm sure, and I

1 apologize for not being very articulate in stating them, but
2 it's been a long day. But I'm satisfied and convinced that
3 even in this hard, hard decision, that it's the right decision
4 under the law. And it's the best decision that I could make.

5 And, therefore, I would deny the motion to reject
6 this as an executory contract.

7 I'd ask Mr. Summerall or Mr. Beard to prepare a
8 written order that I'd review that would include the citations
9 that I made, and other citations of authority that you argued.

10 Now, with that being said, I would next turn to the
11 issue before the Court of the request for a motion to incur
12 debt. I understand from Mr. Nossokoff that the statement's
13 been made that the lending is predicated upon the Court order
14 rejecting this interest. I have not done that. So, where does
15 that stand? Mr. Crawford or Mr. Nossokoff?

16 MR. NOSSOKOFF: The question is about priming the
17 rights, if it is a property right, can it be primed. If I hear
18 His Honor correctly, he may be speaking then about determining
19 what the property rights are. And if you're going to T2, the
20 T2 case, that's where you were there. You're determining the
21 rights of the parties under an adversary proceeding and how far
22 the property rights may go. So --

23 THE COURT: I think that's correct.

24 MR. NOSSOKOFF: Okay. If that's the case --

25 THE COURT: It wouldn't be done today. It would be a

1 future --

2 MR. NOSSOKOFF: All right. So, the answer is no.
3 Then the lender stands by its commitment and will not allow the
4 commitment to go forward.

5 THE COURT: Okay. Then in terms of a further ruling
6 on the propriety of the motion to incur debt, it seems to be
7 moot at this time.

8 Okay. In conclusion, I would say, as I introduced
9 these statements to you, that I wish there was a way. And I
10 suggest to the parties that the only way to be successful in
11 this case is to all work together, as you have attempted to do
12 so far, and for which I commend you for. But I mean the proof
13 is in any ability to sell property. And at present, the debtor
14 is in possession. And the debtor -- and the benefit to all
15 constituents, it seems to me, is to have some sort of process
16 by which property is sold.

17 The testimony was that it should be in an environment
18 which promotes the highest value. It is no fault of anyone's,
19 I think, and I see it in many, many cases, but it's no solace
20 to you folks who suffer the consequences. But it's no fault
21 that the economy is in such a circumstance that we cannot be as
22 hopeful or as -- or to receive the -- to accept the hopes of
23 parties that sales will turn around, different than the
24 history. And that everything will be better through the summer
25 months. It's just not -- I'm not convinced from the evidence

1 presented that it's a sure thing, or it's even likely.

2 I think, though, that, therefore, it requires the
3 parties to, in some way, consider whether their cooperation and
4 their support for each other could create that, as favorable a
5 marketing environment as you possibly can. Because certainly
6 if sales were to pick up and to be accomplished, then secured
7 lenders would be paid, investors would be paid, and unsecured
8 creditors would have hopes of a dividend.

9 So, why I am preaching to the choir because all of
10 you are more experienced than I? I do think that's probably
11 where you are.

12 But to the extent that there are suggestions for
13 other remedies or other belief that may have been discussed as
14 part of the motions or lending proposals today, they just have
15 to be brought by motion and we'll consider them at the time.

16 So, it's been a long day for all of us, and I stand
17 on these statements and ask for that order from Mr. Summerall.

18 The other matter, the motion to incur debt, for the
19 record is considered moot or withdrawn. I'll consider it
20 withdrawn by the debtor based upon those statements.

21 I wish you luck.

22 MR. SUMMERALL: Your Honor, if I may, first of all,
23 all of the parties thank you for your diligence because it has
24 been a hard day. And Melrose Club will continue to work with
25 these parties.

1 What I really stood up to say is -- to ask you when
2 you would like the proposed order by? And I wish I could tell
3 you I could get it to you by Friday, but I am going to be out
4 of state on vacation from Saturday until Thursday afternoon.
5 So, I would ask possibly two weeks from today to submit the
6 proposed order.

7 THE COURT: What do you say about that? Any party
8 comment on that? Or object to it? Or --

9 MR. LESEMANN: Your Honor, if I could have a --

10 (Pause)

11 MR. LESEMAN: That's fine, Your Honor.

12 THE COURT: Okay. All right.

13 MR. SUMMERALL: Thank you, sir.

14 THE COURT: Now there is the final hearing on the
15 motion for cash collateral. Now, we have the opportunity if --
16 and not to beg the question, but it seems to me that I have
17 some time tomorrow morning. It kind of depends on where you
18 are and whether you need further discussions and whether you --

19 MR. KERR: Your Honor, Robert Kerr for AFG. My
20 client's in Denver, two hours behind us. I do have some time.
21 I'd like to confer with them just to give them the lay of the
22 land, some rulings from today, effect the call, and I need to
23 bring them up-to-speed. We do have some time to talk
24 midmorning.

25 THE COURT: What time? 10 or 10:30?

1 (The Court conferring off the record)

2 THE COURT: I would suggest that you arrive at 10
3 tomorrow, if it suits your schedule. And it may be that I
4 couldn't hear you at 10, but I had matters scheduled at 10:30
5 that have been removed, right?

6 (The Court conferring off the record)

7 THE COURT: So, that would allow you to address it in
8 the morning before I left Charleston.

9 MR. KERR: All right. Thank you.

10 THE COURT: So, we continue --

11 MR. KERR: Without prejudice to the rights of Melrose
12 Club, Inc.

13 THE COURT: We would continue it. And, you know,
14 anyone that needs to be here can be here. But it just is too
15 to try to take us a contested -- further contested matter, it
16 seems to me. And I understand, at least from what I heard of
17 the testimony, it varied as far as shutdown today. I am not
18 interested in these facilities being shutdown, but I don't --
19 you know, I can't create money for you. So, it does sound like
20 you can carry through the weekend, potentially. So, tomorrow
21 wouldn't be a prejudice to anyone to hear it.

22 MR. NOSSOKOFF: No.

23 THE COURT: Okay?

24 MR. NOSSOKOFF: Yes, sir.

25 THE COURT: Anything else?

1 MR. NOSSOKOFF: That's it, sir.

2 MULTIPLE SPEAKERS: Thank you, Your Honor.

3 THE COURT: Thank you. Good luck.

4

5 (Whereupon, at 7:05 P.M. the hearing was adjourned.)

6

7 CERTIFICATE

8

9 I certify that the foregoing is a correct transcript from
10 the electronic sound recording of the proceedings in the
11 above-entitled matter.

12

13

14 /s/ Karen Hartmann Date: March 13, 2009

15 TRANSCRIPTS PLUS, INC.

16

17

18

19

20

21

22

23

24

25

<div>/</div> <div>/S/- 18:14</div> <div>1</div> <div>1- 4:5</div> <div>10- 16:25 17:2,4</div> <div>105- 7:3</div> <div>10:30- 16:25 17:4</div> <div>13- 18:14</div> <div>2</div> <div>2009- 18:14</div> <div>3</div> <div>365- 7:2 11:24</div> <div>5</div> <div>5- 8:11</div> <div>5.1- 6:23 8:11</div> <div>9:6 11:9</div> <div>7</div> <div>7001- 12:11,17</div> <div>7:05- 18:5</div> <div>A</div> <div>ABILITY- 14:13</div> <div>ABLE- 12:21</div> <div>ACCEPT- 14:22</div> <div>ACCOMPLISHED- 15:6</div> <div>ACTION- 8:9</div> <div>ADAM- 11:7</div> <div>ADDITION- 8:17</div> <div>ADDITIONAL- 8:24</div> <div>ADDRESS- 5:14,24</div> <div>6:4 17:7</div> <div>ADDRESSED- 8:5</div> <div>ADDRESSING- 5:11</div> <div>ADJOURNED- 18:5</div> <div>ADJUDICATION- 8:4</div> <div>10:25</div> <div>ADVERSARY- 8:6</div> <div>13:21</div> <div>AFG- 4:8 16:19</div> <div>AFTERNOON- 16:4</div> <div>AGREE- 10:2,8</div> <div>AGREEMENT- 5:21</div> <div>6:9,11,12,19,23</div> <div>7:9 8:7,13,20,23</div> <div>9:2,4,12,14 12:2</div> <div>AGREEMENTS- 6:10</div> <div>AIR- 10:4</div> <div>ALLOW- 14:3 17:7</div> <div>ALLOWED- 4:20,21</div> <div>ALLOWING- 12:20</div> <div>ALLWS- 9:3</div> <div>ANSWER- 14:2</div> <div>ANYONE'S- 14:18</div> <div>ANYWAY- 4:23</div> <div>APOLOGIZE- 13:1</div> <div>APPEAL- 12:23</div> <div>APPEAR- 8:20</div> <div>APPEARS- 10:12</div> <div>APPLIES- 7:7</div> <div>APPLY- 12:12</div> <div>APPROVAL- 5:15</div> <div>ARBITRATION- 9:3</div>	<div>ARCHITECTURAL- 8:17</div> <div>ARGUED- 6:22 9:7</div> <div>13:9</div> <div>ARRIVE- 17:2</div> <div>ARTICLE- 6:23</div> <div>8:11 11:9</div> <div>ARTICULATE- 13:1</div> <div>ASSERT- 4:19 6:12</div> <div>ASSETS- 7:19,21</div> <div>ASSUMPTION- 10:15</div> <div>ATTEMPTED- 14:11</div> <div>ATTENTION- 11:12</div> <div>AUTHORITIES- 6:13</div> <div>7:3 10:7</div> <div>AUTHORITY- 8:16</div> <div>10:2 13:9</div> <div>B</div> <div>BANKRUPTCY- 6:2,3</div> <div>7:2,4,7</div> <div>BASED- 5:7 7:11</div> <div>15:20</div> <div>BEARD- 13:7</div> <div>BEHIND- 16:20</div> <div>BELIEF- 15:13</div> <div>BENEFIT- 14:14</div> <div>BETWEEN- 8:4</div> <div>10:24</div> <div>BIND- 11:15</div> <div>BOTH- 9:21</div> <div>BOUND- 7:1</div> <div>BREACH- 9:23</div> <div>10:23 12:7</div> <div>BROUGHT- 15:15</div> <div>BURDEN- 6:24</div> <div>BURKE- 10:3</div> <div>BYN- 10:4</div> <div>C</div> <div>CALL- 12:18 16:22</div> <div>CAN- 4:17 9:9</div> <div>13:17 15:5</div> <div>17:14,20</div> <div>CAN'T- 7:10 17:19</div> <div>CANNOT- 7:3 14:21</div> <div>CAROLINA- 6:14</div> <div>7:22 11:3,10 12:8</div> <div>CARRY- 17:20</div> <div>CASE- 6:6,18,25</div> <div>7:6,20 8:17,18</div> <div>9:8</div> <div>10:3,4,5,18,19</div> <div>11:6,7,11 12:9,14</div> <div>13:20,24 14:11</div> <div>CASES- 5:24 6:3,7</div> <div>14:19</div> <div>CASH-</div> <div>4:6,18,21,22 5:5</div> <div>16:15</div> <div>CERTAIN- 9:5</div> <div>CERTAINLY- 4:17</div> <div>15:5</div> <div>CERTIFICATE- 18:7</div> <div>CERTIFY- 18:9</div> <div>CHARLESTON- 17:8</div> <div>CHOIR- 15:9</div> <div>CIRCUMSTANCE- 14:21</div>	<div>CITATIONS- 13:8,9</div> <div>CITE- 11:6</div> <div>CITED- 8:16</div> <div>CLEARLY- 11:13</div> <div>CLIENT'S- 16:20</div> <div>CLOSE- 12:18</div> <div>CLOSELY- 11:4</div> <div>CLUB- 15:24 17:12</div> <div>CODE- 7:2,4</div> <div>COLLATERAL-</div> <div>4:6,18,21,22 5:5</div> <div>16:15</div> <div>COLUMBIA- 8:17</div> <div>COMING- 4:23</div> <div>COMMEND- 14:12</div> <div>COMMENT- 16:8</div> <div>COMMENTS- 5:18</div> <div>COMMITMENT- 14:3,4</div> <div>COMMUNITY- 7:20</div> <div>COMPLETE- 9:22</div> <div>CONCERNS- 11:13</div> <div>CONCLUSION- 14:8</div> <div>CONFER- 16:21</div> <div>CONFERRING- 17:1,6</div> <div>CONNECTED- 11:4</div> <div>CONSENT- 5:5</div> <div>CONSEQUENCES- 14:20</div> <div>CONSIDER- 7:20</div> <div>15:3,15,19</div> <div>CONSIDERATION- 10:13</div> <div>CONSIDERED- 15:19</div> <div>CONSISTENTLY- 11:18</div> <div>CONSTITUENTS- 7:15 14:15</div> <div>CONSTITUTE- 9:22,25 11:9</div> <div>CONSTRUED- 8:12</div> <div>CONTEMPLATES- 8:23</div> <div>CONTEST- 5:17</div> <div>CONTESTED- 17:15</div> <div>CONTINUE- 7:19</div> <div>15:24 17:10,13</div> <div>CONTINUED- 4:5</div> <div>CONTRACT- 6:8</div> <div>9:17,19 10:22</div> <div>12:19 13:6</div> <div>CONVINCED- 6:17</div> <div>7:1 13:2 14:25</div> <div>COOPERATION- 15:3</div> <div>CORRECT- 13:23</div> <div>18:9</div> <div>CORRECTLY- 13:18</div> <div>COULDN'T- 17:4</div> <div>COUNSEL- 9:7</div> <div>COUNTRY- 5:24</div> <div>COUNTRYMAN- 9:20</div> <div>COURT'S- 4:1</div> <div>COVENANT- 9:15</div> <div>COVENANTS- 6:5</div> <div>COVERED- 12:17</div> <div>CRAWFORD- 13:15</div> <div>CREATE- 15:4</div> <div>17:19</div>	<div>CREATING- 10:10</div> <div>CREDITORS- 7:15</div> <div>15:8</div> <div>CRITICAL- 5:14</div> <div>6:21 8:8 10:9</div> <div>CROSS- 9:12</div> <div>CURE- 9:1</div> <div>D</div> <div>DAMAGES- 12:7</div> <div>DATE- 9:24 10:9</div> <div>18:14</div> <div>DAY- 13:2</div> <div>15:16,24</div> <div>DEADLINE- 5:6,7</div> <div>DEBT- 5:22 13:12</div> <div>14:6 15:18</div> <div>DEBTOR- 5:21</div> <div>6:2,25 10:9 11:20</div> <div>14:13,14 15:20</div> <div>DEBTOR'S- 9:7,8</div> <div>12:13</div> <div>DECIDED- 12:19</div> <div>DECISION- 7:5</div> <div>9:10 12:23 13:3,4</div> <div>DECISIONS- 11:3</div> <div>DECLARE- 12:16</div> <div>DECLARING- 8:1</div> <div>DEEDS- 11:21</div> <div>DEEMED- 10:23</div> <div>DEFAULT- 8:25</div> <div>9:11</div> <div>DEFAULTING- 9:1</div> <div>DEFINED- 9:20</div> <div>DEFINITION- 9:19</div> <div>DENIED- 7:25</div> <div>DENVER- 16:20</div> <div>DENY- 13:5</div> <div>DEPEND- 6:7,11,22</div> <div>DEPENDENT-</div> <div>4:11,16 8:21</div> <div>DEPENDS- 6:18</div> <div>16:17</div> <div>DETERMINATION-</div> <div>6:15,17 7:8 9:18</div> <div>10:25 12:12,13,14</div> <div>DETERMINATIONS- 7:10</div> <div>DETERMINE- 7:4</div> <div>8:2</div> <div>DETERMINED- 8:13</div> <div>DETERMINING- 11:8</div> <div>13:18,20</div> <div>DIDN'T- 5:13</div> <div>DIFFERENT- 14:23</div> <div>DILEMMA- 7:12</div> <div>DILIGENCE- 15:23</div> <div>DIP'S- 4:20</div> <div>DISCUSSED- 15:13</div> <div>DISCUSSION- 11:19</div> <div>DISCUSSIONS-</div> <div>16:18</div> <div>DISTINGUISHABLE- 10:18</div> <div>DIVIDEND- 15:8</div> <div>DIVISIBLE- 8:12</div> <div>DIVISION- 8:16</div> <div>DOCKET- 4:5</div> <div>DOCUMENTS- 6:19</div>	<div>DRIVEN- 7:5</div> <div>DUCANE- 10:19,20</div> <div>DUE- 5:9</div> <div>E</div> <div>EACH- 8:22 15:4</div> <div>EARLIER- 5:8,23</div> <div>EARLY- 7:6 12:13</div> <div>ECONOMY- 14:21</div> <div>EFFECT- 12:22</div> <div>16:22</div> <div>ELECTION- 9:8</div> <div>10:9</div> <div>ELECTRONIC- 18:10</div> <div>EMBODIED- 11:9</div> <div>EMPHASIZES- 9:16</div> <div>ENFORCE- 12:1</div> <div>ENFORCEABILITY- 6:10</div> <div>ENFORCEMENT- 9:3</div> <div>12:7</div> <div>ENSURE- 4:4</div> <div>ENTER- 4:11</div> <div>ENTERED- 4:24 5:8</div> <div>6:9,19</div> <div>ENTIRE- 9:2</div> <div>ENTITLED- 11:1</div> <div>ENVIRONMENT-</div> <div>14:17 15:5</div> <div>EQUAL- 10:14</div> <div>EQUITABLE- 7:3</div> <div>9:3 11:5</div> <div>ESTATE- 11:5</div> <div>EVERYTHING- 14:24</div> <div>EVIDENCE- 11:21</div> <div>14:25</div> <div>EXCUSING- 9:23</div> <div>EXECUTORY- 5:25</div> <div>9:19 10:22 12:19</div> <div>13:6</div> <div>EXERCISE- 10:14</div> <div>EXPERIENCED-</div> <div>15:10</div> <div>EXPRESSED- 11:12</div> <div>EXTENDED- 5:7</div> <div>EXTENT- 15:12</div> <div>F</div> <div>FACILITIES- 17:18</div> <div>FAILURE- 8:24</div> <div>9:22</div> <div>FAIRLY- 7:6</div> <div>FALL- 7:7</div> <div>FALLS- 6:25</div> <div>FAR- 9:21 13:21</div> <div>14:12 17:17</div> <div>FAULT- 14:18,20</div> <div>FAVOR- 4:18</div> <div>FAVORABLE- 15:4</div> <div>FEBRUARY- 5:6</div> <div>FEEL- 8:5</div> <div>FIELD- 8:18</div> <div>FILED- 5:21 8:6</div> <div>FINAL- 4:6 5:15</div> <div>8:4 12:20 16:14</div> <div>FINALLY- 4:12</div> <div>11:8 12:16</div> <div>FINANCIAL- 10:4</div> <div>FIND- 7:24 11:23</div>
--	--	--	--	---

<p>FINE- 16:11 FIRST- 4:20 5:25 8:8 15:22 FOLKS- 14:20 FOLLOW- 5:2 FOLLOWING- 7:8 FOREGOING- 18:9 FORWARD- 4:18 5:17 14:4 FRIDAY- 16:3 FULL- 8:3 12:16 FULLY- 10:24 FUNDING- 10:4 FURTHER- 5:11 9:10 10:21 11:17,23 12:11,15,21 14:5 16:18 17:15 FUTURE- 14:1</p> <hr/> <p>G</p> <p>GENERAL- 8:19 12:25 GET- 16:3 GIVE- 16:21 GO- 13:22 14:4 GOING- 4:18 5:17 13:19 16:3 GOOD- 5:7 18:3 GOUVEIA- 10:5,6 GOVERN- 6:9 GRACES- 5:7 GREEN- 11:11 GROUP- 8:17 GUESS- 4:8 9:9</p> <hr/> <p>H</p> <p>HARD- 13:3 15:24 HEAR- 13:17 17:4,21 HEARD- 17:16 HEARING- 4:6 16:14 18:5 HELMS- 10:3 HELP- 6:15 HIGHEST- 14:18 HISTORY- 14:24 HOPEFUL- 14:22 HOPES- 14:22 15:8 HOUCK- 12:9 HOURS- 16:20</p> <hr/> <p>I</p> <p>IDENTIFIED- 8:25 IMPORTANT- 7:21 INC- 17:12 18:15 INCUR- 5:22 13:11 14:6 15:18 INDICATED- 5:23 6:23 11:21 INDICATES- 11:3 INDICATING- 8:1 INDICATION- 5:19 6:4 INDICATIONS- 11:11 INGRAM- 11:6 INJUNCTION-</p>	<p>12:8,9 INQUIRE- 4:4 INSTANCE- 8:23 9:20 10:7 INSTANCES- 10:16 INSTRUMENTS- 11:19 INSURANCE- 11:22 INTENDED- 8:21 11:14 INTENT- 6:12 8:13 INTENTION- 11:12,13 INTEREST- 5:6 11:10,23 13:14 INTERESTED- 7:14,16,18 17:18 INTERESTS- 12:22 INTERPRET- 8:2 INTERPRETATION- 6:11 INTERPRETED- 10:16 INTRODUCED- 14:8 INVESTMENTS- 7:17 INVESTORS- 7:16 15:7 INVOKE- 7:3 ISSUE- 4:16 5:16,24 6:10,21 7:21 8:7 12:24 13:11 ISSUES- 6:6 7:4 8:5 IT'S- 4:15,21 5:16 7:5 8:15 9:11,12 10:23 12:2 13:2,3,4 14:19,20,25 15:1,16 ITEM- 4:5</p> <hr/> <p>K</p> <p>KEENLY- 7:14 KERR- 4:17 5:4,12 16:19 17:9,11 KNOWN- 6:22</p> <hr/> <p>L</p> <p>LAND- 6:5 9:16 11:13 16:22 LANGUAGE- 6:18 8:20 9:17 11:14,15 LEAVE- 5:10 LEFT- 17:8 LENDER- 14:3 LENDERS- 15:7 LENDING- 7:6 12:22 13:13 15:14 LESEMANN- 16:9,11 LIABILITIES- 10:15 LIMITED- 6:15 10:14 LOAN- 4:8,12 12:24 LONG- 13:2 15:16 LOOKING- 8:7</p>	<p>LUBRIZOL- 10:19 LUCK- 15:21 18:3</p> <hr/> <p>M</p> <p>MAKING- 9:10 MANY- 6:7 8:5 10:15 12:18 14:19 MARCH- 18:14 MARKETING- 15:5 MATERIAL- 9:23 MATTER- 6:16 12:18 15:18 17:15 18:11 MATTERS- 5:19 9:13 12:17 17:4 MCI- 9:9 11:1 MEETS- 11:10 MELROSE- 15:24 17:11 MIDMORNING- 16:24 MONEY- 7:17 17:19 MONIES- 4:13 MONTHS- 14:25 MOOT- 14:7 15:19 MORNING- 16:17 17:8 MORTGAGES- 11:22 MOTION- 4:6 5:20,22,25 6:18,24 7:6,25 8:3 11:9 13:5,11 14:6 15:15,18 16:15 MOTIONS- 15:14 MOVANT- 6:25 MULTIPLE- 18:2 MURRAY- 11:6 MUTUALITY- 9:5</p> <hr/> <p>N</p> <p>NATIONAL- 6:13 10:4 NECESSARILY- 8:21 NECESSARY- 6:14 8:2 NECESSITATES- 8:9 NEGLECT- 4:12 NON- 8:25 NORTHWESTERN- 11:6 NOSSOKOFF- 4:4,7,9,14 5:1,3 13:12,15,16,24 14:2 17:22,24 18:1 NOTE- 10:12 NOTED- 9:20 NOTICE- 8:25</p> <hr/> <p>O</p> <p>OBJECT- 5:4 16:8 OBLIGATION- 6:5 9:21 OBLIGATIONS- 8:24 9:5,25 10:10 OBVIOUSLY- 4:19,22 OFFER- 5:18 8:9 ONE- 8:20</p>	<p>OPPORTUNITY- 9:1 16:15 OPTION- 8:10 9:6,9,18,24 10:10,14 OPTIONS- 5:25 ORDER- 4:11,24 5:8 7:24 10:19 12:20,22 13:8,13 15:17 16:2,6 OVERLOOK- 5:13 OWNERSHIP- 12:3</p> <hr/> <p>P</p> <p>PACKARD- 8:18 PAID- 15:7 PARTIES- 6:6,12,20 7:12 8:4,14 9:15,20,21 10:1,24 11:12,15,18 12:17 13:21 14:10,23 15:3,23,25 PARTIES'- 6:21 PARTY- 8:9 9:1,23 10:11 12:1,15,21 16:7 PASSED- 4:13 5:6 10:13 PASSING- 12:4 PAUSE- 16:10 PAYMENT- 5:6,9 PERFORM- 8:24 9:8 PERFORMANCE- 9:4,22,23 11:1,4 12:8 PETITION- 9:25 10:8 PICK- 15:6 PLACE- 9:14 PM- 18:5 PORTION- 4:1 POSSESSION- 5:21 6:3 14:14 POTENTIALLY- 17:20 PREACHING- 15:9 PRECEDENT- 12:21 PREDICATED- 13:13 PREFERRED- 11:5 PREJUDICE- 17:11,21 PREPARE- 13:7 PREPARED- 7:24 PRESENT- 14:13 PRESENTED- 15:1 PRESERVATION- 11:20 PREVAILING- 6:24 PREVIOUS- 10:19 PREVIOUSLY- 10:13 PRIMED- 13:17 PRIMING- 13:16 PROBABLY- 15:10 PROBLEMATIC- 12:24 PROCEEDINGS- 18:10 PROCESS- 4:13 6:1</p>	<p>14:15 PROMOTES- 14:18 PRONOUNCE- 10:5 PROOF- 14:12 PROPER- 12:11 PROPERTY- 11:10,22,23,25 12:3 13:17,19,22 14:13,16 PROPOSALS- 15:14 PROPOSED- 16:2,6 PROPRIETY- 14:6 PROVIDES- 9:1,9 PROVISION- 8:8 PROVISIONS- 11:16 12:2 PURPOSE- 8:15 PURPOSES- 4:23 11:8 12:23 PUSH- 4:22</p> <hr/> <p>Q</p> <p>QUO- 10:17</p> <hr/> <p>R</p> <p>RAISED- 6:6 REASONS- 7:23 12:25 RECEIVE- 14:22 RECOGNIZE- 12:23 RECOGNIZED- 11:18 12:9 RECONVEYANCE- 10:15 RECORDED- 11:18 RECORDING- 9:16 18:10 RECOVERING- 7:17 REFERENCED- 9:12 REFUSAL- 8:8 REGARDS- 4:11 REJECT- 5:20,25 6:18,24 7:25 13:5 REJECTED- 10:23 REJECTING- 13:14 REJECTION- 6:2 11:25 12:20 RELATE- 6:19 REMEDIES- 11:5 15:13 REMEDY- 9:2,3,11 11:2 12:9 REMOVED- 17:5 REORGANIZATION- 7:14 REORGANIZATIONS- 7:18 REQUEST- 13:11 REQUESTED- 4:1 REQUIRED- 11:11 REQUIREMENT- 11:13 REQUIRES- 15:2 RESPECTS- 12:19 RETURNING- 10:16 RIGHTS- 6:21 8:2,4 10:24 11:9,18 12:1,6,15,16</p>
---	---	---	---	---

13:17,19,21,22 17:11 RISE- 7:7 RIVERS- 12:10 ROBERT- 10:3 16:19 RULE- 12:11 RULING- 4:1,4,12 5:19 7:8 8:1 14:5 RULINGS- 4:16 16:22 RUN- 6:5 RUNNING- 9:15	SUBSTANTIATED- 11:17 SUCCESSFUL- 14:10 SUCCESSORS- 11:15 SUFFER- 14:20 SUGGESTIONS- 15:12 SUITS- 17:3 SUMMARIZE- 7:23 SUMMARY- 6:1 SUMMER- 14:24 SUMMERALL- 8:16 13:7 15:17,22 16:13 SUPPORT- 15:4 SUSCEPTIBLE- 8:15 SYMPATHIES- 7:11	<hr/> V <hr/> VACATION- 16:4 VALIDATE- 4:12 VALIDITY- 12:15 VALUABLE- 7:19 VALUE- 7:20 14:18 VARIED- 17:17 VARIOUS- 5:24 6:13 VERSUS- 10:4 11:6,7 12:9 VIEW- 8:7 9:17,24 11:14 12:14 VIEWED- 9:6		
<hr/> S <hr/> SALES- 14:23 15:6 SATISFIED- 13:2 SATURDAY- 16:4 SCHEDULE- 17:3 SCHEDULED- 17:4 SEATED- 4:3 SECTIONS- 8:19 SECURED- 7:15 15:6 SEE- 14:19 SEEK- 12:13 SEEKING- 12:16 SELL- 14:13 SENSITIVE- 8:3 SEPARATE- 8:21 SEPARATELY- 10:21 SET- 7:23 SHUTDOWN- 17:17,18 SIGNIFICANCE- 6:4 SIMILAR- 10:16 SOLACE- 14:19 SOLD- 14:16 SOUND- 17:19 18:10 SOUTH- 6:14 7:21 11:3,10 12:8 SPEAKERS- 18:2 SPECIALIZED- 11:15 SPECIFIC- 9:4 11:1 12:8 SPECIFICALLY- 5:20 SPECIFIED- 9:16 11:4 SPECIFIES- 9:2 SPECIFY- 9:15 SPRINGS- 12:2 STAND- 4:10 13:15 15:16 STANDS- 14:3 STATE- 6:8 7:2,21 16:4 STATEMENT'S- 13:12 STATEMENTS- 5:23 14:9 15:17,20 STATING- 13:1 STATUS- 4:5 10:17 STAY- 12:22 STOOD- 16:1 SUBORDINATED- 4:20	<hr/> T <hr/> T2- 11:11 13:19,20 TAKING- 12:3 TERMINATION- 10:24,25 TERMS- 7:2 14:5 TESTIMONY- 14:17 17:17 THERE'D- 5:14 THEREFORE- 6:1 10:10 11:24 13:5 15:2 THIRD- 8:9 THURSDAY- 16:4 TIME- 5:18 10:8 14:7 15:15 16:17,20,23,25 TITLE- 11:16,22 12:3,4 TODAY- 4:16 5:11,20 6:21 7:5,24 11:21 12:24 13:25 15:14 16:5,22 17:17 TOGETHER- 14:11 TOMORROW- 5:9 16:17 17:3,20 TRANSCRIBED- 4:2 TRANSCRIPT- 18:9 TRANSCRIPTS- 18:15 TRANSFER- 5:21 6:23 7:9 8:19,23 9:4,12,14 10:17 11:20 TRIGGERED- 9:7 TRUSTEE- 6:2 TURN- 7:11 13:10 14:23 TWO- 16:5,20	<hr/> W <hr/> WASN'T- 5:14 WE'RE- 7:16 WEEK- 4:23 5:8 WEEKEND- 17:20 WEEKS- 16:5 WHEREAS- 9:6 WHEREUPON- 18:5 WILL- 7:23 14:3,23,24 15:24 WILLIS- 11:7 WISH- 7:11 14:9 15:21 16:2 WITHDRAWN- 15:19,20 WORK- 14:11 15:24 WORKING- 7:14,18 WOULDN'T- 13:25 17:21 WRITTEN- 7:24 13:8		
	<hr/> U <hr/> UNALTERABLE- 12:6 UNEXERCISED- 8:10 9:24 UNPERFORMED- 9:21,25 UNSECURED- 7:16 15:7 UP-TO-SPEED- 16:23			